



JAMES A. NOYES, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

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April 24, 2002

TO: Each Supervisor

FROM: James A. Noyes  
Director of Public Works

### **WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA 2002 RESURVEY REPORT**

This report is in response to your order of March 6, 2001, directing Public Works to resurvey interested parties of the Water Replenishment District of Southern California (WRD) to determine any interest in having Public Works assume WRD's responsibilities. Issues between the various parties delayed the resurvey until recently. These issues were addressed in interim reports dated August 22, 2001 and December 26, 2001.

#### Background

WRD is a special district formed with the primary functions of groundwater replenishment and water quality management. It serves 43 communities of the Central and West Groundwater Basins of the County of Los Angeles. WRD collects assessments from groundwater producers to pay for its programs.

Over the past few years, cities within the district have been at odds over the water rate the district charges the public and private utilities that pump groundwater from the basins. In December 1999, a report by the California State Auditor was critical of WRD's administrative and financial practices. Subsequent to its release, State legislation was passed that mandated reforms as recommended in the audit. While WRD responded positively to the audit report, some basin producers were still critical of WRD for not voluntarily embracing all the audit recommendations.

By Board memos dated March 8, 2000, and June 6, 2000, Public Works provided background information on these controversies and on November 28, 2000, your Board directed Public Works to conduct a survey among WRD basin producers to determine interest

in having Public Works assume WRD's responsibilities. By Board memo dated February 22, 2001, we reported to you the results of our survey in which we concluded there was no clear consensus, at that time, to proceed with further actions and that there appeared to be a "wait and see" approach to how WRD responded to the State-mandated reforms. At that time, you directed Public Works to continue monitoring WRD activities and to later resurvey basin producers on these issues.

### Resurvey Process

In November 2001, as we began the resurvey efforts, we found it difficult to achieve consensus among WRD and representatives of the producers as to the survey structure. We were only able to achieve consensus on the singular question, "Do you have an interest in having the County of Los Angeles Department of Public Works assume any or all responsibilities of the Water Replenishment District of Southern California?"

The survey was sent out on February 19, 2002, to 119 WRD active basin producers. Surveys were also sent to 16 municipalities not having their own water agencies.

### Survey Results

The survey results are tabulated below and are described in more detail in Attachment A. Out of 135 surveys mailed, 64 responses were received. This represents a 47 percent return rate for the survey and 81 percent of recent pumping allocations of those surveyed. This survey again failed to develop any overwhelming consensus of action.

SURVEY RESULTS WRD PRODUCERS HAVING AN INTEREST IN PUBLIC WORKS ASSUMING WRD DUTIES				
	YES	NO	UNDECIDED	SURVEY RESPONDENTS
RESPONDENTS	25	36	3	64 of 135
PERCENTAGE BY TOTAL RESPONDENTS	39%	56%	5%	47%
PERCENTAGE BY PUMPING ALLOCATIONS	42%	50%	8%	81%
CITIES RESPONDING	16	6	2	24 of 44

### Discussion

WRD has implemented the administrative and management reforms based on findings of the State auditor. It has taken strides towards a more open collaborative process in dealing with its basin producers. This has helped rebuild public trust in the agency. However, there is still a significant group, comprised mainly of municipalities, that have concerns with the current direction of WRD staff and Board. This has been exhibited in disagreements between WRD and its purveyors over measures and programs that do not seem to lead to increased basin water supply or water quality improvements. Basin producers are directly affected by management actions that lead to higher assessments and as such feel the Board should work more in partnership with producers in developing stakeholder acceptance. While one would expect disagreements over specific issues or projects, this debate is over the more fundamental purpose of WRD and the appropriateness of the direction the agency is pursuing.

Legislation enacted by the State legislature, in February 2000, implemented the recommendations set forth in the State Auditor's report of WRD. These mandated reforms of the WRD were to remain in effect until January 1, 2003, or until subsequent legislation extended that date. This legislation included 1) limiting the increase in assessments to increases in the Consumer Price Index; 2) requiring capital projects to be paid for with existing reserves and assessment fees; 3) creation of a Technical Advisory Commission to evaluate proposed projects; and 4) an audit by the State Auditor. It is anticipated that legislation will be introduced to extend these State-mandated reform provisions several more years.

### Conclusions

There is no clear mandate, at this time, to proceed with further actions to allow Public Works to assume WRD's responsibilities.

WRD has an important role to play in maintaining adequate and safe water supplies for its basin producers. However, to serve the best interests of its rate payers and to be accountable to the communities it serves, it needs to restore lost confidence with a crucial element of its basin producers. While progress has been made, efforts are still required to restore the cooperative relationship that has historically governed WRD and its basin producers.

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Recommendations

1. Direct Public Works and CAO to continue to monitor WRD's reform-related activities and report back with proposals when actions warrant.
2. Support legislative efforts which would extend the repeal date of State-mandated reforms of the WRD.

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Attach.

cc: Chief Administrative Office  
Executive Office